

**STATE OF WASHINGTON**



**OFFICE OF  
INSURANCE COMMISSIONER**

**BEFORE THE INSURANCE COMMISSIONER  
OF THE STATE OF WASHINGTON**

In the matter of	)	
	)	No: D 2001- 24
<b>The Foundation for Deaconess</b>	)	
<b>and Valley Healthcare</b>	)	STIPULATIONS, FINDINGS,
	)	
Spokane, Washington	)	CONSENT AND ORDER
	)	

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The Foundation for Deaconess and Valley Healthcare is a charitable organization and has been issuing charitable gift annuities in the State of Washington, and is therefore governed by Title 48 RCW.

This administrative action is based on allegations by the Commissioner's staff that The Foundation for Deaconess and Valley Healthcare violated RCW 48.05.030 and Chapter 48.38 RCW, by the activity described in the following numbered paragraphs. To resolve only the issues identified in the following numbered paragraphs, to eliminate the necessity for a hearing, and as a negotiated settlement of the Commissioner's allegations The Foundation for Deaconess and Valley Healthcare has voluntarily executed the Consent to Order contained herein and stipulates to the entry of the Order contained herein.

**STIPULATIONS**

1. RCW 48.05.030 provides that no person shall act as an insurer nor transact insurance in this state other than as authorized by a certificate of authority issued to it by the Commissioner.
2. RCW 48.11.020 defines life insurance as including the granting of annuities.
3. Chapter 48.38 RCW provides that certain charitable organizations upon complying with the provisions of the Chapter may, after receiving a certificate of exemption from the Commissioner, conduct a charitable gift annuity business and be exempted from most of

the provisions of Title 48 RCW.

4. In 1991 The Foundation for Deaconess and Valley Healthcare issued an annuity without having been properly licensed to do so.

### **FINDINGS**

1. The Commissioner finds that The Foundation for Deaconess and Valley Healthcare, by and through the conduct described above, has violated RCW 48.05.030 and Chapter 48.38 RCW.
2. The Commissioner further finds that RCW 48.38.050 authorizes the Commissioner to refuse to issue a Certificate of Exemption to The Foundation for Deaconess and Valley Healthcare, for failing to comply with the provisions of Chapter 48.38 RCW.
3. The Commissioner further finds that RCW 48.38.050 authorizes, that in lieu of the refusal to issue a Certificate of Exemption, the Commissioner may assess a fine of not more than \$10,000.

### **CONSENT TO ORDER**

Based on the above and foregoing stipulations, The Foundation for Deaconess and Valley Healthcare consents to pay the sum of \$225 being the \$25 annual fee for the 9 years it would have had to pay the fee if had been properly licensed, the sum of \$5 being the \$5 fee for the annuity that it issued in the year 2001 if it had been properly licensed, and a fine in the amount One Hundred Dollars and 00/100 (\$100), for a total amount of \$330.

Based on the above and foregoing stipulations, The Foundation for Deaconess and Valley Healthcare voluntarily consents to the following order to resolve the issues and alleged conduct described herein and with the understanding that the payment of the amount levied against The Foundation for Deaconess and Valley Healthcare is a condition of the issuance of a Certificate of Exemption to the The Foundation for Deaconess and Valley Healthcare for the conduct described herein.

Based on the above and foregoing stipulations, The Foundation for Deaconess and Valley Healthcare acknowledges its duty and obligation to fully comply with the applicable laws and regulations of the State of Washington.

Signed this 12th day of March, 2001.

**The Foundation for Deaconess and Valley Healthcare**

by: \_\_\_\_\_  
Title: \_\_\_\_\_

### **ORDER**

IT IS ORDERED that pursuant to RCW 48.38.050 and the foregoing Stipulations, Findings, and Consent to Order, The Foundation for Deaconess and Valley Healthcare pay a total sum in the amount of Three Hundred Thirty Dollars and 00/100 (\$330) for the activity described in the foregoing Stipulation.

IT IS FURTHER ORDERED that in the event that this sum is not paid within 30 days from the date of this order, the sum will be recoverable in a civil action brought on behalf of the Insurance Commissioner by the Attorney General, pursuant to RCW 48.05.185.

SIGNED AND ENTERED THIS 27<sup>th</sup> day of August, 2002.

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James T. Odiorne  
Deputy Insurance Commissioner